

# Fact Sheet:

## Background on U.S.-Indonesian Biofuels Cooperation



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*"Energy is going to help determine whether or not this nation remains the economic leader in the world...I believe so strongly that this country has got to use its talent and its wealth to get us off oil. And I believe we will do so, and I believe -- I know the best way to do so is through technological breakthroughs."*

-- President George W. Bush  
October 12, 2006

During their November 20 meeting in Bogor, Indonesia, President Bush and President Yudhoyono discussed the crucial role that energy plays in developed and developing economies, alike. They agreed on the crucial importance of energy security for their respective countries and discussed the role which biofuels can play in meeting each nation's energy needs. The two leaders agreed to explore areas of mutual interest for future collaboration in biofuels and renewable energy.

- An upcoming mission by the U.S. Commerce Department's Trade and Development Administration will explore areas of future commercial cooperation with the goal of increasing U.S. investment in and sales to the Indonesian biofuels sector.
- The Presidents agreed to explore ways for the two countries to cooperate in the area of biotechnology with the aim of increasing crop yields for biofuels source materials.
- The leaders also agreed on the desirability of collaboration and cooperation in renewable energy basic research. Indonesian energy researchers plan to visit the U.S. National Renewable Energy Laboratory in Golden, Colorado to discuss areas of possible exchange and cooperation with their U.S. counterparts.
- Transportation fuels derived from biomass can be produced by the conversion of sugar or starch crops to ethanol, or by conversion of soybean or other plant oils to produce biodiesel. The 3.4 billion gallons of ethanol blended into gasoline in 2004 is about 2% by volume of all gasoline sold in the United States. Ethanol will have a much larger future role in the U.S., due to two federal policies: an excise tax exemption of \$0.51 per gallon for ethanol used as motor fuel, and a new requirement in the Energy Policy Act for 7.5 billion gallons of renewable fuel to be used in gasoline by 2012.
- As part of its January 2006 National Energy Policy, Indonesian President Susilo Bambang Yudhoyono set a goal to use biofuels for at least 10 percent of national energy needs by 2025. The Government of Indonesia (GOI) plans to invest USD 22 billion over the next five years to boost biofuel production. Some types of biofuel are already available in the retail marketplace in Indonesia.